



Australian Government

Department of Education, Employment and Workplace Relations

FNSFMK501A Analyse financial markets and information

Revision Number: 1

FNSFMK501A Analyse financial markets and information

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to monitor and assess markets and information, analyse economic trends and developments, and provide market reports.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	This unit applies to a range of job roles in the financial markets sector.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine the operations within financial markets	1.1. The different financial market sectors that occur within the financial market and relationship between them, participants and the economy are identified
2. Access market information	2.1. Aims and objectives of financial markets analysis are clearly established in accordance with client and organisational requirements 2.2. Clear and quantifiable parameters are set for the identification and sourcing of information in accordance with legislative and organisational requirements 2.3. Market information and data is accessed and evaluated in terms of validity, reliability and relevance in accordance with identified analysis requirement 2.4. Methods of analysis , testing, assessment and evaluation used are appropriate to the information and the goals and objectives of the research
3. Interpret trends and market developments	3.1. Quantitative and/or qualitative analysis is undertaken of comparative market data using standard financial analysis techniques 3.2. Economic trends and market developments are identified and evaluated in terms of potential implications and impacts on business 3.3. Risk contingencies are identified and quantified in accordance with industry standards, precedents and techniques 3.4. Sound inductive reasoning is applied to ensure consistency of interpretations based on available information
4. Report on market data	4.1. Market performance, trends and risk analyses are prioritised and prepared for presentation in the required format, style and structure 4.2. Conclusions are verified, current and sufficiently detailed to meet identified analysis requirements 4.3. Reports are prepared and distributed to relevant persons within agreed timeframes and in accordance with organisational requirements 4.4. The use of market information and data is in accordance with the relevant legal and ethical constraints and organisational requirements

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm client and organisational requirements, using questioning and active listening as required
 - disseminate accurate market information
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - apply statistical techniques and make elementary probability calculations
 - use spreadsheets and databases
 - access internet information
- highly developed research and analysis skills for accessing, interpreting and managing complex information
- well-developed literacy skills to:
 - read and interpret organisational and industry information
 - identify economic environmental factors which affect financial services and markets
 - produce reports
- judgement skills for forming recommendations in complex situations
- organisational skills, including the ability to plan and sequence work and work effectively in a constantly changing environment
- self-management skills for complying with ethical, legal and procedural requirements

Required knowledge

- roles played by intermediaries and issuers:
 - financial service providers
 - banks
 - brokers
 - investment banks
 - building societies
 - money brokers
 - financial companies
 - stock brokers
 - futures brokers
 - friendly societies

REQUIRED SKILLS AND KNOWLEDGE

- the economic environment, including:
 - characteristics and impacts of economic and business cycles
 - government monetary and fiscal policies
 - interest rates, exchange rates, inflation
- inter-relationships between financial industry sectors and participants
- structure and inter-relationships within the financial markets
- sources of market and comparative data
- statistical reporting formats
- methods of market data analysis
- economic concepts
- relevant legislation including privacy and freedom of information legislation
- data collection and management systems
- organisational guidelines, goals and objectives
- theories of investment, portfolio management and management of investment risk

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • interpret and use economic concepts • identify market participants, economic trends and market development and monitor and evaluate changes in market conditions using a range of data sources • work within legal and ethical constraints and access market information and produce reports using relevant data analysis methods and techniques • formulate and draw effective conclusions from the correct interpretation of data analysis.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to financial markets information.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p>	
<p><i>Financial markets</i> may include:</p>	<ul style="list-style-type: none"> • any exchange traded markets • Australian Securities Exchange (ASX) • over the counter (OTC) • Sydney Futures Exchange (SFE).
<p><i>Participants</i> may include:</p>	<ul style="list-style-type: none"> • ASX • banks • brokers • futures brokers • retail clients • SFE • wholesale clients.
<p><i>Economy</i> factors may include:</p>	<ul style="list-style-type: none"> • fiscal policy • monetary policy • primary markets • secondary markets • wholesale markets versus retail markets.
<p><i>Analysis:</i></p>	<ul style="list-style-type: none"> • may be: <ul style="list-style-type: none"> • quantitative or qualitative • explorative, descriptive, causative or predictive • and may include: <ul style="list-style-type: none"> • basic statistical analysis • mathematical calculations • critical analysis • problem solving.
<p><i>Organisational requirements</i> may be outlined and reflected in:</p>	<ul style="list-style-type: none"> • business and performance plans • complaints and dispute resolution procedures • ethical standards, codes of practice • goals, objectives, plans, systems and processes • legal and organisational policy and guidelines • mission statements, strategic plans • policies and procedures in relation to client service • product or service development

RANGE STATEMENT	
	<ul style="list-style-type: none"> • quality and continuous improvement processes and standards • quality assurance and procedures manuals.
Information may be evaluated for:	<ul style="list-style-type: none"> • accuracy • authenticity • currency • quality • relevance • reliability • reputability of source • validity.
Legislative requirements may include:	<ul style="list-style-type: none"> • Banking Act • Commonwealth Criminal Code • Corporations Act • Financial Corporations Act • Financial Services Reform Act • Financial Transaction Reports Act • Privacy Amendment Act (Private Sector) • Reserve Bank Act • Taxation Act • Trade Practices Act.
Methods of analysis may include:	<ul style="list-style-type: none"> • comparative analysis • demographic or geographic analysis • historical analysis • hypothesis • link analysis.
Comparative market data may include:	<ul style="list-style-type: none"> • best practice information • international benchmarking • inter-organisation comparison data.
Economic trends and market developments may include:	<ul style="list-style-type: none"> • changes in technology • demographic trends • ecological and environmental trends • economic trends: <ul style="list-style-type: none"> • local • regional • national • international • government activities such as: <ul style="list-style-type: none"> • managing interest rates

RANGE STATEMENT	
	<ul style="list-style-type: none"> • regulation • deregulation • industrial trends • social and cultural factors.
<i>Relevant persons</i> may include:	<ul style="list-style-type: none"> • client • colleagues • managers, supervisors • peers.
<i>Legal and ethical constraints</i> may include:	<ul style="list-style-type: none"> • codes of practice • ethical principles • organisational policies and guidelines • relevant legislation and regulations • social and cultural expectations and influences.

Unit Sector(s)

Unit sector	Financial markets
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		